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Leadership Competency Series

Positioning Performance Management

LEADERSHIP COMPETENCY/ Advancement of business results of an organisation depends on a well developed Performance Management System, says M R CHANDRAMOWLY.

IT was Mid-November and Shashidhar was full of activity preparing for the tough event. He was not alone. All the managers were getting in to the "Performance Reviews" conducted throughout the organisation starting from the CEO and down in the business units and offices.

Shashi had to evaluate his team members in current jobs and those whose names are under his succession plan. There was a need to group his team members in three streams. He had to identify employees who can move up to higher level jobs in next year based on their potential, the next set of employees who would continue in the same level, for some more years and lastly other employees whose performance has not come up to set standards. As a part of performance review process, he was preparing to provide feedback to each of his team members by reflecting further how they agree or disagree and on what they probably would argue and contradict.

At the end of the process, Shashi must ensure indicating developmental plans for performance improvement of individuals, besides other actions of reward and retention. He was comfortable since he need not have to do the appraisal of the entire year in one go, as he had periodical reviews done for his team, as and when they performed exceedingly well or otherwise.

He also reviewed his part of actions in developing his team. In the second quarter, when he returned from his two weeks business development program in the US, he circulated the key points and directions among his team members and that became the topic for his weekly meeting with his team. He looked in to the list of star performers and high potential cases.

It was hard to find out the "developmental" areas. He was the one who believed that "improvement" is a natural essentiality as "perfection" is a misnomer, the state of which one could never reach. What will he be telling George, who is star of his team? George focused on doing his job well by setting a good example. He made positive comments regarding ability of his team members in managing tough situations. But, did George tell his team how to do the task? Did he make any specific suggestions? Did he demonstrate his practical support and assistance? Did he check with the team whether they have understood the directions and are things going smooth? And how he is going to handle poor performers? What is the feedback strategy? How does he manage the situation after providing the feedback? Do his organisation's PMS address the questions of employees?

Does his team members have answers for their questions like "Am I clear on what should I accomplish? What my organisation wants? What is the learning model for my development? How many competencies I need to develop and what behaviours are needed for superior performance? How do I learn and how it helps?

Current Issues of PMS

One of the rising concerns about PMS is about putting employee in to boxes of levels. Grading employees on "bell curve". Besides this, some of the US organisations have come up with a system called "CAP" - Comparative Assessment Process. CAP demands a forced "bell curve" to ensure that all the employees of an organisation are categorised in to three groups top 20, mid 70 and bottom 10, based on individual performance and value addition to business. "In the process, most employees are rated average regardless of their individual specific performances", a denigration I have heard from employees.

Instead of replication of such western "best practices", which are normally susceptible to change, Indian companies need to think about developing a suitable system which is compatible with social, cultural and economical aspects of local culture, while we can continue to reward the best performers using suitable method to motivate and retain them.

Poor performance cannot be tolerated and has to be dealt with. But, is there a need to force rank all the employees in a pre-determined mathematical formula? Is our measurement criteria good enough? Putting employee in three boxes akin to apple sorting is acceptable to employees of your organisation? "People don't care how much you know, until they know how much you care…about them."

Fear of feedback

Performance Management System, in many places is seen as an unavoidable, unpleasant annual activity that is "imposed" by HR. I have noticed that some senior managers say "I am interested in bottom line and not in wasting time in filling appraisal forms and follow a system." I have heard them saying, "If I give truthful feedback, employees are generally de-motivated and offended. So, they remain "silent" on the "weak" areas arguing that "people only want to hear appreciation and not 'feedback'". "A deepest principle in human nature is the craving to be appreciated" said William James (psychologist).

Recently I was interacting with a prospective client about designing a workshop for their mangers on competency based Performance Management. During my pre-training diagnosis, I found that they had rolled out 20 competencies for their Indian employees, which is replicated from their corporate model designed for US employees. I noticed that there were no behavioural indicators identified for competencies relating to superior job performance.

When I asked them as to how the competencies are evaluated without behavioural indicators, I was told that it is done by ticking "excellent" or "very good" or "good" or "average"; but how an "excellent" and "very good" ratings differ from each other is not explained. Employees can never know what they must do to improve their ratings from "Very Good" to "Excellent". There is a soaring need to develop managers to train and guide them on how to provide employee feed back both on positive accomplishments and development areas by citing specific examples they have observed, than just generalising.

Courage to share

Though no one flinches to agree that developing competencies is an integral part of performance improvement initiatives, most of the people I have come across in organisations I worked with, and participants in training sessions who strongly shared that senior managers and leaders are not seriously

putting forth their efforts in coaching their team members nor sharing knowledge in its completeness.

One suggestion to come over such problems is to make it mandatory for all mangers to share their expertise and knowledge with their team members and link it as a key result area to evaluate performance of such managers. It must be ensured to assess "willingness and ability to share knowledge with subordinates" through a managerial 360 degree feedback system.

Format fever

Though PA (Performance Appraisal) and PMS (Performance Management System) are not synonyms, in most of the organisations PMS is reduced to PA. The focus of PA is on "How well an employee is doing his/her job" where as PMP addresses "What can be done to ensure employees perform as effectively as possible".

In the process, managers consider Performance Appraisal Form as the driver of a system that reduces all data to a final rating in number, ignoring to identifying ways to improve performance, which is the essence of business need and the entire process. Organisations are required to review policies on performance management, stipulating accountabilities of mangers to improve individual performance, by indicating efforts put in through coaching, guiding and other developmental actions to enhance employee performance.

The performance bar is constantly moving up with the increased demand of globalisation. Who should own the PMS? How are the gaps between employee goals and organisation objectives filled? How to reduce the "emotional" part of appraisal meeting, which is continuing to be an issue? As individual performance is observed, monitored and developed by line managers, there is a strong opinion that line managers should own Performance Management. HR must provide direction and support to ensure the system to function in a fair and effective manner.

HR also must help the line managers to identify, develop and reward competencies that bring in superior performance. This again, requires attention of organisations to review existing performance management systems and train managers to catch employees doing some thing good, ensuring organisational effectiveness and employee satisfaction. "If you want to get the best of a Man, you must look for the best that it is in him" said Bernard Haldne.

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